

Message Text

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PAGE 01 BRUSSE 10320 221005Z

ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 L-03 FRB-03

OMB-01 ITC-01 SP-02 USIA-06 AGRE-00 AID-05

CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02

SIL-01 STR-04 TRSE-00 CEA-01 SS-15 AF-10 ARA-10

NEA-10 ABF-01 /130 W

-----129848 221255Z/44

R 220955Z AUG 77

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 1455

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY TOKYO

USMISSION GENEVA

USMISSION USUN NEW YORK

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USOECD, ALSO FOR USEEC

E.O. 11652: N/A

TAGS: EFIN, UNCTAD, BE

SUBJECT: THE DEBT ISSUE IN UNCTAD: BELGIAN VIEWS

REF: STATE 191800

1. EMBOFF DISCUSSED SUBSTANCE REFTEL AUGUST 18 WITH
J. ARNOLDI, MINISTRY OF FINANCE. ARNOLDI IS BELGIUM'S
"EXPERT" ON LDC DEBT AND UP TO NOW HIS VIEWS HAVE BEEN
INSTRUMENTAL IN DETERMINING THE GOVERNMENT'S POSITION.

2. ARNOLDI SAID THAT BELGIUM SHARES THE U.S. INTEREST
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PAGE 02 BRUSSE 10320 221005Z

IN LIMITING UNCTAD ACTIVITY IN THIS AREA. HE QUESTIONS
OUR CHOICE OF TACTICS, HOWEVER. IN HIS VIEW, THE
OPERATIVE REALITIES ARE (A) THAT NAIROBI LANGUAGE TO THE
EFFECT THAT UNCTAD MAY "REVIEW" DEBT QUESTIONS CAN BE
INTERPRETED TO MEAN "NEGOTIATE"; THE INFERENCE IS VAGUE,
AT ANY RATE, AND DOES NOT GIVE THE DC'S A VERY FIRM WALL
BEHIND WHICH TO HIDE; (B) THAT THE U.S. AND EC ARE A

MINORITY IN UNCTAD AND CAN BE VOTED DOWN; AND (C) THAT UNCTAD'S CONCERN WITH DEBT DATES BACK MANY YEARS AND WILL NOT JUST GO AWAY, WHATEVER OUR EFFORTS TO CHANNEL IT INTO OTHER FORUMS.

3. THIS ANALYSIS OF THE SITUATION IS WIDELY SHARED IN EC FOREIGN AND FINANCE MINISTRIES, ACCORDING TO ARNOLDI. IT IS IMPLICIT, HE SAID, IN THE EC'S TREATMENT OF DEBT IN ITS FINAL CIEC DECLARATION (WHICH CALLED FOR DEBT ACTION BY "THE UN SYSTEM" AMONG OTHERS). THE TREND IN THE EC, ARNOLDI BELIEVES, IS TOWARDS ACCEPTANCE OF DUAL RESPONSIBILITY FOR EXAMINATION OF THE DEBT QUESTION; I.E., BY BOTH THE IMF/IBRD DEVELOPMENT COMMITTEE AND UNCTAD. THIS IS NOT NECESSARILY BAD, IN HIS VIEW. THE HIGHLY CHARGED NATURE OF THE ISSUE COULD ADVERSELY POLITICIZE THE DEVELOPMENT COMMITTEE (WITHIN WHICH SOME LDC REGIONS--E.G., AFRICA--ARE SAID TO FEEL UNDER-REPRESENTED). THE COMMITTEE MIGHT OPERATE MORE EFFECTIVELY IN DC INTERESTS IF IT REMAINED OUT OF THE LIMELIGHT; IT COULD PERHAPS BE A SOURCE OF EXPERTISE FOR UNCTAD, THUS SHAPING THE TERMS AND SUBSTANCE OF DISCUSSION. THERE IS LITTLE DANGER OF THE DEBT ISSUE COMING TO A HEAD ANY TIME SOON IN UNCTAD ANYWAY, IN ARNOLDI'S VIEW, IN VIEW OF INTERNAL G-77 DIVISIONS ON THE ISSUE.

4. ARNOLDI SAID THAT, IN LINE WITH THIS VIEW, BELGIUM LIMITED OFFICIAL USE

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PAGE 03 BRUSSE 10320 221005Z

WILL NOT RPT NOT OPPOSE A SECOND EXPERTS' MEETING IN OCTOBER. THE MEETING IS UNAVOIDABLE, IN HIS VIEW, AND MAY, IN FACT, BE DESIRABLE TO SHAPE DEBT CONSIDERATION FOR THE TDB MINISTERIAL. ONE WAY TO DO SO MIGHT BE FOR THE US/EC AND THE G-77 TO COMPARE THEIR TOTAL OF THREE PAPERS ON "FEATURES", IDENTIFYING ELEMENTS OF AGREEMENT AND DISAGREEMENT, WHICH COULD BE REPORTED AS SUCH TO THE MINISTERIAL IN A WAY THAT THE MINISTERS WOULD REMAND THE DOSSIER FOR FURTHER STUDY TO ANOTHER EXPERTS' MEETING AND/OR TO THE DEVELOPMENT COMMITTEE. THIS SORT OF TACTIC WOULD, ARNOLDI THINKS, AVOID CONFRONTATION BETWEEN GROUP B AND THE G-77 OVER THE DEBT QUESTION THROUGH THE MINISTERIAL WHILE PRESERVING THE COMMON US/EC GOAL OF AVOIDING NEGOTIATIONS ON DEBT IN A FORUM NOT TO OUR LIKING. CHAMBERS

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: LESS DEVELOPED COUNTRIES, POLICIES, GOVERNMENT DEBTS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770839/aaaabgka.tel
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Review Action: RELEASED, APPROVED
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TAGS: EFIN, BE, US, UNCTAD, (ARNOLDI, J)
To: STATE
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vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/477afa56-c288-dd11-92da-001cc4696bcc
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